State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 8, 2009

Nancy J. Wolverson
Ucolo Exploration Corporation
Gowling Lafleur Henderson LLP
Suite 2300, 550 Burrand Street
Box 30, Bentall 5
Vancouver, British Columbia
Canada V6C 2B5

Subject: Transfer of Notice of Intention to Commence Large Mining Operations, Ucolo
Exploration Corporation, Ticaboo Stockpile Removal Project – East (Formerly Known
as Tony M/Lucky Strike) Project, M0170001, Garfield County, Utah

Dear Ms. Wolverson:

On June 11, 2009, we received the completed Transfer of Notice of Intention of Small
Mining Operations to transfer the referenced large mining project from U. S. Energy to Ucolo
Exploration Corporation.

The Division Director signed and executed the transfer document on June 29, 2009
which effectively transfers the responsibility of this mining operation and reclamation to you. A
copy of the executed transfer form is enclosed for your files. You are now the official party
responsible for all mining and reclamation obligations for this project. Please be aware that you
must satisfy the BLM requirements in making this change in ownership as well. We will forward
a copy of the executed transfer form along with this letter to them for their records.

By copy of this letter, the Division hereby officially releases U. S. Energy from any
further reclamation responsibilities at this site. Thank you for your help in finalizing this
transaction. If you have any questions or concerns regarding this letter, please contact me at
(801) 538-5320.

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As a reminder, the annual permit fee of $150.00 is due July 31, 2009. The Division now considers this to be a small mining operation.

Sincerely,

Dana Dean P.E.
Associate Director-Mining

DD:whw:pb
Enclosure: Executed Transfer form, Reclamation Contact & Surety bond
cc: buzz_rakow@blm.gov w/encl
    Fred Craft, U. S. Energy
    Penny Berry, Bond Coordinator
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